EXHIBIT P

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE QUARTERLY PERIOD ENDED: JUNE 30, 2015

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE TRANSITION PERIOD FROM _____ TO _____

COMMISSION FILE NUMBER: 001-16109

CORRECTIONS CORPORATION OF AMERICA
(Exact name of registrant as specified in its charter)

MARYLAND	**62-1763875**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

10 BURTON HILLS BLVD., NASHVILLE, TENNESSEE 37215
(Address and zip code of principal executive offices)

(615) 263-3000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each class of Common Stock as of July 31, 2015:

Shares of Common Stock, $0.01 par value per share: 117,119,202 shares outstanding.

Table of Contents

CORRECTIONS CORPORATION OF AMERICA

FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2015

INDEX

Table of Contents

PART I – FINANCIAL INFORMATION

ITEM 1. – FINANCIAL STATEMENTS.

CORRECTIONS CORPORATION OF AMERICA AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(UNAUDITED AND AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	June 30, 2015	December 31, 2014
ASSETS		
Cash and cash equivalents	**$ 41,069**	$ 74,393
Restricted cash	**1,641**	—
Accounts receivable, net of allowance of $1,407 and $748, respectively	**229,541**	248,588
Current deferred tax assets	**8,884**	13,229
Prepaid expenses and other current assets	**41,347**	29,775
Total current assets	**322,482**	365,985
Property and equipment, net	**2,755,292**	2,658,628
Restricted cash	**114**	2,858
Investment in direct financing lease	**1,992**	3,223
Goodwill	**15,155**	16,110
Non-current deferred tax assets	**4,035**	2,301
Other assets	**76,096**	78,086
Total assets	**$3,175,166**	$ 3,127,191
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable and accrued expenses	**$ 307,591**	$ 317,566
Income taxes payable	**1,086**	1,368
Current liabilities of discontinued operations	**—**	54
Total current liabilities	**308,677**	318,988
Long-term debt	**1,238,000**	1,200,000
Deferred revenue	**82,976**	87,227
Other liabilities	**64,352**	39,476
Total liabilities	**1,694,005**	1,645,691
Commitments and contingencies		
Preferred stock – $0.01 par value; 50,000 shares authorized; none issued and outstanding at June 30, 2015 and December 31, 2014, respectively	**—**	—
Common stock – $0.01 par value; 300,000 shares authorized; 117,119 and 116,764 shares issued and outstanding at June 30, 2015 and December 31, 2014, respectively	**1,171**	1,168
Additional paid-in capital	**1,752,646**	1,748,303
Accumulated deficit	**(272,656)**	(267,971)
Total stockholders' equity	**1,481,161**	1,481,500
Total liabilities and stockholders' equity	**$3,175,166**	$ 3,127,191

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents

CORRECTIONS CORPORATION OF AMERICA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED AND AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2015	2014	**2015**	2014
REVENUES:	**$459,295**	$410,694	**$885,295**	$814,916
EXPENSES:				
Operating	**318,035**	287,610	**618,697**	574,990
General and administrative	**23,107**	26,559	**49,979**	51,951
Depreciation and amortization	**38,400**	28,752	**67,085**	57,136
Asset impairments	**—**	2,238	**955**	2,238
	379,542	345,159	**736,716**	686,315
OPERATING INCOME	**79,753**	65,535	**148,579**	128,601
OTHER (INCOME) EXPENSE:				
Interest expense, net	**11,761**	8,364	**21,951**	18,712
Other (income) expense	**36**	(613)	**10**	(1,000)
	11,797	7,751	**21,961**	17,712
INCOME BEFORE INCOME TAXES	**67,956**	57,784	**126,618**	110,889
Income tax expense	**(2,653)**	(2,052)	**(4,038)**	(3,419)
NET INCOME	**$ 65,303**	$ 55,732	**$122,580**	$107,470
BASIC EARNINGS PER SHARE	**$ 0.56**	$ 0.48	**$ 1.05**	$ 0.93
DILUTED EARNINGS PER SHARE	**$ 0.55**	$ 0.48	**$ 1.04**	$ 0.92
DIVIDENDS DECLARED PER SHARE	**$ 0.54**	$ 0.51	**$ 1.08**	$ 1.02

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents

CORRECTIONS CORPORATION OF AMERICA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED AND AMOUNTS IN THOUSANDS)

	For the Six Months Ended June 30, 2015	For the Six Months Ended June 30, 2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	**$ 122,580**	$ 107,470
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**67,085**	57,136
Asset impairments	**955**	2,238
Amortization of debt issuance costs and other non-cash interest	**1,552**	1,548
Deferred income taxes	**2,611**	93
Non-cash revenue and other income	**(991)**	(2,889)
Income tax benefit of equity compensation	**(475)**	(117)
Non-cash equity compensation	**7,708**	6,924
Other expenses and non-cash items	**2,213**	2,625
Changes in assets and liabilities, net:		
Accounts receivable, prepaid expenses and other assets	**6,124**	(10,196)
Accounts payable, accrued expenses and other liabilities	**5,692**	(30,476)
Income taxes payable	**193**	(450)
Net cash provided by operating activities	**215,247**	133,906
CASH FLOWS FROM INVESTING ACTIVITIES:		
Expenditures for facility development and expansions	**(112,548)**	(27,750)
Expenditures for other capital improvements	**(25,889)**	(20,852)
Capitalized lease payments	**(24,592)**	—
Decrease in restricted cash	**603**	2,983
Proceeds from sale of assets	**57**	704
Decrease in other assets	**1,922**	2,041
Payments received on direct financing lease and notes receivable	**1,091**	967
Net cash used in investing activities	**(159,356)**	(41,907)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of debt	**160,000**	75,000
Principal repayments of debt	**(122,000)**	(85,000)
Payment of debt issuance and other refinancing and related costs	**(134)**	—
Dividends paid	**(124,261)**	(115,469)
Income tax benefit of equity compensation	**475**	117
Purchase and retirement of common stock	**(9,432)**	(2,803)
Decrease in restricted cash for dividends	**500**	—
Proceeds from exercise of stock options	**5,637**	4,852
Net cash used in financing activities	**(89,215)**	(123,303)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(33,324)**	(31,304)
CASH AND CASH EQUIVALENTS, beginning of period	**74,393**	77,919
CASH AND CASH EQUIVALENTS, end of period	**$ 41,069**	$ 46,615
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest (net of amounts capitalized of $2,792 and $1,002 in 2015 and 2014, respectively)	**$ 18,609**	$ 19,912
Income taxes	**$ 6,706**	$ 8,697

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents

	For the Three Months Ended June 30,			
	2015	2014	$ Change	% Change
Management revenue:				
Federal	**$ 236.3**	$ 178.2	$ 58.1	32.6%
State	**183.8**	190.7	(6.9)	(3.6%)
Local	**16.3**	16.8	(0.5)	(3.0%)
Other	**13.4**	14.7	(1.3)	(8.8%)
Total management revenue	**449.8**	400.4	49.4	12.3%
Rental and other revenue	**9.5**	10.3	(0.8)	(7.8%)
Total revenue	**$ 459.3**	$ 410.7	$ 48.6	11.8%

	For the Six Months Ended June 30,			
	2015	2014	$ Change	% Change
Management revenue:				
Federal	**$ 439.5**	$ 352.7	$ 86.8	24.6%
State	**368.4**	384.6	(16.2)	(4.2%)
Local	**32.5**	33.4	(0.9)	(2.7%)
Other	**26.3**	28.6	(2.3)	(8.0%)
Total management revenue	**866.7**	799.3	67.4	8.4%
Rental and other revenue	**18.6**	15.6	3.0	19.2%
Total revenue	**$ 885.3**	$ 814.9	$ 70.4	8.6%

The $49.4 million, or 12.3%, increase in revenue associated with the operation and management of correctional and detention facilities during the second quarter of 2015 compared with the second quarter of 2014 consisted of an increase in revenue of approximately $66.9 million resulting from an increase of 17.5% in average revenue per compensated man-day, partially offset by a decrease in revenue of approximately $17.5 million caused by a decrease in the average daily compensated population from 2014 to 2015. The $67.4 million, or 8.4%, increase in revenue associated with the operation and management of correctional and detention facilities during the six months ended June 30, 2015 compared with the same period in the prior year consisted of an increase in revenue of approximately $116.5 million resulting from an increase of 15.5% in average revenue per compensated man-day, partially offset by a decrease in revenue of approximately $49.1 million caused by a decrease in the average daily compensated population from 2014 to 2015. Most notably, the increase in average revenue per compensated man-day in both periods was a result of the activation of the South Texas Family Residential Center in the fourth quarter of 2014, as further described hereafter. Per diem increases at several of our other facilities also contributed to the increase in average revenue per compensated man-day from 2014 to 2015.

Average daily compensated population decreased 3,112, or 4.4%, from 71,014 during the three months ended June 30, 2014 to 67,902 during the three months ended June 30, 2015, while average daily compensated population for the six months ended June 30, 2015 decreased 4,383 from the comparable period in 2014. The decline in average compensated population in both periods primarily resulted from the expiration of our contract at the Idaho Correctional Center after the state of Idaho assumed management of the facility effective July

1, 2014. In addition, the decline in average compensated population during the six-month period resulted from the expiration of our contracts at the Bay Correctional Facility, Graceville Correctional Facility, and Moore Haven Correctional Facility, collectively referred to herein as the "Three Florida Facilities," after the Florida Department of Management Services, or DMS, awarded the management of these contracts to another operator effective January 31, 2014. Combined, these four facilities generated facility net operating losses of $0.9 million and $1.9 million during the time they were active in the three and six months ended June 30, 2014, respectively. The decline in average compensated population in both the three- and six-month periods was also a result of the expiration of our contract with the Federal Bureau of Prisons, or BOP, at our Northeast Ohio Correctional Center effective May 31, 2015, and due to a decline in California inmates held in our out-of-state facilities, both as further described hereafter. A decline in federal populations at certain of our other facilities also contributed to the decrease in average compensated population from 2014 to 2015. The decline in average compensated population in both periods was partially offset by an increase in populations at our newly activated South Texas Family Residential Center and at our Red Rock Correctional Center, both as further described hereafter.

Business from our federal customers, including primarily the BOP, the United States Marshals Service, or USMS, and ICE, continues to be a significant component of our business. Our federal customers generated approximately 53% and 45% of our total management revenue for the three months ended June 30, 2015 and 2014, respectively, increasing $58.1 million, or 32.6%. Our federal customers generated approximately 51% and 44% of our total management revenue for the six months ended June 30, 2015 and 2014, respectively, increasing $86.8 million, or 24.6%. The increase in federal revenues in both periods primarily resulted from the activation of the South Texas Family Residential Center in the fourth quarter of 2014, as further described hereafter, and per diem increases at several of our other facilities, partially offset by a decline in federal populations at several facilities, including the BOP population at our Northeast Ohio Correctional Center, as further described hereafter.

State revenues from facilities that we manage decreased 3.6% from the second quarter of 2014 to the second quarter of 2015, and decreased 4.2% from the six months ended June 30, 2014 to the same period in 2015 primarily as a result of the expiration of our contracts at the Idaho Correctional Center effective July 1, 2014 and, for the six-month period, at the Three Florida Facilities effective January 31, 2014. The decrease in state revenues in both the three- and six-month periods was also a result of a decline in California inmates held in our out-of-state facilities, as further described hereafter. The decrease in state revenues was partially offset by an increase in revenue at our Red Rock Correctional Center in Arizona, as further described hereafter.

Several of our state partners are projecting improvements in their budgets which has resulted in our ability to secure recent per diem increases at certain facilities. However, all of our state partners have balanced budget requirements, which may force them to further reduce their expenses if their tax revenues, which typically lag the overall economy, do not meet their expectations. Actions to manage their expenses could include reductions in inmate populations.

We believe the long-term growth opportunities of our business remain very attractive as governments consider efficiency, savings, and offender programming opportunities we can

provide. Further, we expect our partners to continue to face challenges in maintaining old facilities, and developing new facilities and additional capacity which could result in future demand for the solutions we provide.

Rental and other revenue during the six months ended June 30, 2015 increased when compared to the same period in the prior year as a result of a contract adjustment by one of our government partners previously disclosed in the fourth quarter of 2013. The contract adjustment resulted in an accrual of $13.0 million of revenue and an equal accrual of operating expenses during the fourth quarter of 2013, which were revised to $9.0 million during the first quarter of 2014, resulting in the reduction of both revenue and operating expenses by $4.0 million in the first quarter of 2014.

Operating Expenses

Operating expenses totaled $318.0 million and $287.6 million for the three months ended June 30, 2015 and 2014, respectively, while operating expenses for the six months ended June 30, 2015 and 2014 totaled $618.7 million and $575.0 million, respectively. Operating expenses consist of those expenses incurred in the operation and management of correctional and detention facilities, as well as at facilities we lease to third-party operators, and for our inmate transportation subsidiary.

Expenses incurred in connection with the operation and management of correctional and detention facilities increased $30.6 million, or 10.9% during the second quarter of 2015 compared with the same period in 2014. Operating expenses increased $36.8 million, or 6.5% during the first six months of 2015 compared with the same period in 2014. Similar to our increase in revenues, operating expenses in both periods increased most notably as a result of the activation of our South Texas Family Residential Center in the fourth quarter of 2014, as further described hereafter, partially offset by the expiration of our BOP contract at our Northeast Ohio Correctional Center effective May 31, 2015, and our contracts at the Idaho Correctional Center effective July 1, 2014 and, for the six-month period, at the Three Florida Facilities effective January 31, 2014.

Fixed expenses per compensated man-day increased to $36.98 during the three months ended June 30, 2015 from $32.08 during the three months ended June 30, 2014. Fixed expenses per compensated man-day increased to $36.34 during the six months ended June 30, 2015 from $32.58 during the same period in 2014. Fixed expenses per compensated man-day for the three and six months ended June 30, 2015 include depreciation expense of $8.5 million and interest expense of $2.2 million in order to more properly reflect the cash flows associated with the lease at the South Texas Family Residential Center. In total, fixed expenses at the now fully constructed 2,400-bed South Texas Family Residential Center contributed to increases of $3.07 and $2.24 per compensated man-day for the three and six months ended June 30, 2015, respectively.

Fixed expenses per compensated man-day also increased due to an increase in salaries and benefits per compensated man-day of $2.88 and $2.45 for the three- and six-month periods, respectively. The increase in salaries and benefits per compensated man-day in both periods resulted primarily from a higher average wage rate at our South Texas Family Residential Center, which accounted for increases of $1.22 and $1.16 per compensated man-day for the three- and six-month periods, respectively. The increase in salaries and benefits per compensated man-day was also due to more favorable claims experience in our employee

self-insured medical plan in the prior year, and as a result of wage increases implemented during 2014. As the economy has improved, we have experienced wage pressures in certain markets across the country. We continually monitor compensation levels very closely along with overall economic conditions and will set wage levels necessary to help ensure the long-term success of our business. Salaries and benefits represent the most significant component of our operating expenses, representing approximately 62% of our total operating expenses during 2014 and 60% for the first six months of 2015.

Variable expenses per compensated man-day increased $3.98 and $3.26, respectively, during the three and six months ended June 30, 2015 from the same periods in the prior year. The increase in both periods was primarily due to expenses associated with activating our South Texas Family Residential Center, and due to an increase in litigation costs and other variable expenses. Variable expenses at the South Texas Family Residential Center accounted for increases of $3.04 and $2.52 per compensated man-day for the three- and six-month periods, respectively.

Operating expenses also increased from the six months ended June 30, 2014 to the six months ended June 30, 2015 as a result of the contract adjustment by one of our government partners which reduced both revenue and operating expenses by $4.0 million in the first quarter of 2014, as previously described. In addition, operating expenses in the first quarter of 2015 included a $3.0 million bad debt charge associated with a facility we no longer manage.

Facility Management Contracts

We typically enter into facility contracts to provide prison bed capacity and management services to governmental entities for terms typically from three to five years, with additional renewal periods at the option of the contracting governmental agency. Accordingly, a substantial portion of our facility contracts are scheduled to expire each year, notwithstanding contractual renewal options that a government agency may exercise. Although we generally expect these customers to exercise renewal options or negotiate new contracts with us, one or more of these contracts may not be renewed by the corresponding governmental agency.

During December 2014, the BOP announced that it elected not to renew its contract with us at our owned and operated 2,016-bed Northeast Ohio Correctional Center with a net carrying value of $32.2 million as of June 30, 2015. The contract with the BOP at this facility expired on May 31, 2015. We expect to continue to house USMS detainees at this facility pursuant to a separate contract that expires December 31, 2016, while we continue to market the space that became available.

In April 2015, we provided notice to the state of Louisiana that we will cease management of the managed-only contract at the state-owned 1,538-bed Winn Correctional Center within 180 days, in accordance with the notice provisions of the contract. We generated facility net operating income at this facility of $0.4 million and $0.6 million for the three and six months ended June 30, 2014, respectively, and incurred a facility net operating loss of $1.6 million and $2.9 million for the three and six months ended June 30, 2015, respectively. In anticipation of terminating the contract at this facility, we also recorded an asset impairment of $1.0 million during the first quarter of 2015 for the write-off of goodwill associated with the Winn facility.

During May 2015, the state of Vermont announced that it elected to not renew the contract that would have allowed for Vermont's continued use of our owned and operated 816-bed Lee Adjustment Center. The contract expired on June 30, 2015. During the first six months of 2015, the offender population at the Lee Adjustment Center averaged 308 offenders, compared with 458 offenders during the same period in 2014. We generated facility net operating income at this facility of $0.2 million and $0.3 million for the three and six months ended June 30, 2014, respectively. We incurred a facility net operating loss at the Lee Adjustment Center of $0.8 million and $1.2 million for the three and six months ended June 30, 2015, respectively. The net carrying value of the Lee Adjustment Center was $11.1 million as of June 30, 2015.

Based on information available at this filing, notwithstanding the contracts at facilities described above, we believe we will renew all other material contracts that have expired or are scheduled to expire within the next twelve months. We believe our renewal rate on existing contracts remains high as a result of a variety of reasons including, but not limited to, the constrained supply of available beds within the U.S. correctional system, our ownership of the majority of the beds we operate, and the quality of our operations.

The operation of the facilities we own carries a higher degree of risk associated with a facility contract than the operation of the facilities we manage but do not own because we incur significant capital expenditures to construct or acquire facilities we own. Additionally, correctional and detention facilities have limited or no alternative use. Therefore, if a contract is terminated on a facility we own, we continue to incur certain operating expenses, such as real estate taxes, utilities, and insurance, which we would not incur if a management contract were terminated for a managed-only facility. As a result, revenue per compensated man-day is typically higher for facilities we own and manage than for managed-only facilities. Because we incur higher expenses, such as repairs and maintenance, real estate taxes, and insurance, on the facilities we own and manage, our cost structure for facilities we own and manage is also higher than the cost structure for the managed-only facilities. Accordingly, the following tables display the revenue and expenses per compensated man-day for the facilities placed into service that we own and manage and for the facilities we manage but do not own, which we believe is useful to our financial statement users:

Table of Contents

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2015	2014	**2015**	2014
Owned and Managed Facilities:				
Revenue per compensated man-day	**$ 81.39**	$ 68.71	**$ 79.91**	$ 68.89
Operating expenses per compensated man-day:				
Fixed expense	**39.84**	34.18	**39.05**	34.74
Variable expense	**16.49**	11.56	**15.45**	11.45
Total	**56.33**	45.74	**54.50**	46.19
Operating income per compensated man-day	**$ 25.06**	$ 22.97	**$ 25.41**	$ 22.70
Operating margin	**30.8%**	33.4%	**31.8%**	33.0%
Average compensated occupancy	**82.8%**	82.1%	**82.3%**	81.7%
Average available beds	**64,544**	66,222	**63,826**	66,222
Average compensated population	**53,474**	54,384	**52,548**	54,126

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2015	2014	**2015**	2014
Managed Only Facilities:				
Revenue per compensated man-day	**$ 40.91**	$ 39.86	**$ 40.86**	$ 39.87
Operating expenses per compensated man-day:				
Fixed expense	**26.38**	25.23	**26.44**	25.78
Variable expense	**10.72**	10.35	**10.60**	10.23
Total	**37.10**	35.58	**37.04**	36.01
Operating income per compensated man-day	**$ 3.81**	$ 4.28	**$ 3.82**	$ 3.86
Operating margin	**9.3%**	10.7%	**9.3%**	9.7%
Average compensated occupancy	**93.5%**	95.3%	**93.4%**	95.1%
Average available beds	**15,436**	17,452	**15,436**	18,112
Average compensated population	**14,428**	16,630	**14,423**	17,228

Owned and Managed Facilities

Facility net operating income, or the operating income or loss from operations before interest, taxes, asset impairments, depreciation and amortization, at our owned and managed facilities increased by $20.3 million, from $112.3 million during the second quarter of 2014 to $132.6 million during the second quarter of 2015, an increase of 18.1%. Facility net operating income at our owned and managed facilities increased by $32.7 million, from $219.6 million during the six months ended June 30, 2014 to $252.3 million during the six months ended June 30, 2015, an increase of 14.9%. Facility net operating income at our owned and managed facilities in the three and six months ended June 30, 2015 was favorably impacted by the activation of the South Texas Family Residential Center, as further described